

## **S. 4, The Healthy America Act of 2005**

### Summary

Health care costs are high, and have been increasingly rapidly in recent years. As a result, the number of Americans without health insurance is climbing; about 45 million Americans lack health insurance coverage at any point in time, roughly half of whom are uninsured for an entire year. Rising costs also are increasing the risk that those who have insurance coverage might lose it.

The “Healthy America Act of 2005” includes a number of measures to slow the growth of health care costs, expand health insurance coverage, and improve access to quality health care for millions of Americans.

President Bush and the Republican Congress have taken a number of steps to make health care more accessible, more affordable, more efficient, and more patient-centered. These include making tax-free, portable Health Savings Accounts available to all Americans; reducing prescription drug costs by increasing access to more affordable generic drugs; providing seniors access for the first time to affordable prescription drug coverage in the Medicare program; increasing transparency and price competition in Medicare; expanding neighborhood community health centers to serve millions more needy Americans; devoting significant new resources to rural and safety net health care providers; and protecting children’s access to health care.

S. 4 builds on these accomplishments. It incorporates many of President Bush’s health care reform proposals, as well as the proposals set forth during the 108<sup>th</sup> Congress by the United States Senate Republican Task Force on Health Care Costs and the Uninsured. These include measures to: empower consumers and patients; expand health care choices; improve patient safety and quality; reform the medical liability system; curtail waste, fraud, and abuse in federal health care programs; reduce regulatory burdens and costly red-tape; make prescription drugs more affordable; foster the widespread use of individually-owned, privacy-protected electronic health records; provide lower-income Americans with increased financial assistance to make health insurance and long-term care more affordable; expand affordable, portable, tax-free Health Savings Accounts; improve enrollment in public safety net health care programs; increase the number of neighborhood community health centers; and strengthen primary and preventive care networks in underserved communities.

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## Description of Major Provisions

**Purpose.** The purpose of this Act is to slow the growth in health care costs, expand health insurance and health care to millions of Americans without coverage, and improve access to affordable, quality health care.

**Section 1. Short Title.** The “Healthy America Act of 2005”

### **Section 2. Findings.**

Health care costs are growing rapidly, putting health insurance and needed care out of reach for too many Americans.

Rapidly rising health costs pose a threat to U.S. economy. They are harming the competitiveness of American businesses to compete in a global economy and making it more difficult to create new jobs.

Growing health care costs are also compromising the stability of health care safety net and entitlement programs.

There are a series of steps Congress can take to help slow the growth of health costs, expand access to health coverage, and improve access to quality health care for millions of Americans.

### **Title I. Making Health Care More Affordable.**

This title contains reforms to improve the efficiency of health care, reduce unnecessary paperwork and red tape, and make health care more affordable, including:

- Reforming the medical liability system to ensure fair and rapid compensation to injured patients, reduce frivolous lawsuits, and limit excessive damage awards;
- Promoting the rapid adoption and widespread use of individually owned, privacy-protected electronic health records by fostering the development of standards through a public-private collaboration to enable the rapid and safe exchange of electronic patient information, reducing legal and financial barriers to the use of cost-saving technology, ensuring a coordinated federal effort to promote health information technology, and linking information technology to broader quality improvement efforts across federal programs through value-based purchasing programs and through other mechanisms;
- Improving patient safety and reducing medical errors by creating a voluntary error reporting system for health care providers, allowing providers to learn from mistakes and improve patient outcomes without the fear of additional litigation;

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- Reducing waste, fraud, and abuse in public health programs by authorizing additional funding and expanding the Medicare-Medicaid Data Match Pilot Program;
- Including Sense of the Senate language urging the creation of a Mandate Review Commission to cut down on unnecessary or duplicative regulations that inappropriately increase health care costs; and
- Enhancing subrogation recovery rights for employment-based health plans.

## **Title II. Expanding Access to Affordable Health Coverage through Tax Incentives and Other Initiatives**

This title includes reforms to expand affordable health insurance coverage to millions of Americans, including the following:

- Making health insurance coverage more affordable for lower income Americans by providing a tax credit to offset the cost of private health insurance premiums for those who do not qualify for employer-provided health coverage;
- Expanding the availability of Health Savings Accounts (HSAs) by providing an above-the-line tax deduction for the purchase of high-deductible health plans and a refundable credit for contributions to HSAs that are made by small employers;
- Improving the Health Coverage Tax Credit enacted as part of the 2002 Trade Adjustment Assistance Act by making a number of needed clarifications and providing greater protections to consumers;
- Including a statement that it is the Sense of the Senate that steps should be taken to make long-term care more affordable by providing tax incentives for the purchase of long-term care insurance, increasing support for family caregivers, and making necessary public program reforms;
- Allowing individuals to carry over without tax consequences up to \$500 each year in cafeteria plans and other flexible spending arrangements;
- Expanding health coverage options for low income entrepreneurs and self-employed individuals by allowing those starting a business to cover the costs of health insurance as businesses expenses under the Assets for Independence Act;
- Requiring the Government Accountability Office to evaluate the availability of existing and potential sources of affordable health insurance coverage available to graduate and undergraduate college and university students;

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- Providing additional support for state high-risk pools that often provide an affordable source of health coverage to individuals with pre-existing health conditions and others who may have difficulty finding health coverage in the individual health insurance market;
- Expressing the Sense of the Senate that Congress should enact legislation expanding more affordable health coverage options and group purchasing arrangements for individuals, particularly those who work for small businesses; and
- Providing grants to states, schools, faith-based organizations, and other entities to encourage innovative community-based approaches to enrolling lower income children who are eligible, but not enrolled, in public health programs.

### **Title III. Improving Care and Strengthening the Safety Net**

This title contains provisions to expand health care access for needy Americans and expand and improve vital health care safety net programs, including:

- Expanding primary and preventive health care services through Community Health Centers (CHCs) and Rural Health Clinics (RHCs) in high-need areas;
- Improving care coordination and access to primary care, specialty care, and hospital services by providing funding for integrated provider systems that offer needed health services to underserved populations;
- Helping individuals living in rural areas to obtain free or reduced cost care through Rural Health Clinics by making it easier for RHCs and CHCs to coordinate care and share services;
- Making prescription drugs more affordable and available to individuals who rely on the Section 340B health care safety net program, while establishing stronger oversight and enforcement of federal drug discount pricing programs;
- Providing student loan forbearance for physicians and other providers who provide volunteer health care services in free clinics;
- Encouraging more doctors and other health professionals to serve safety net communities by expanding Federal Tort Claims Act (FTCA) liability protection for individuals providing safety net coverage; and
- Including a statement that it is the Sense of the Senate that additional measures are needed to reduce or eliminate disparities in health care related to race, ethnicity, socioeconomic status, and geography that affect access to quality health care.

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